

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Application of Pacific Gas and Electric Company (U39E) for Approval of Demand Response Programs, Pilots and Budgets for Program Years 2018-2022.

Application 17-01-012

And Related Matters.

Application 17-01-018

Application 17-01-019

COMMENTS OF OLIVINE, INC. WITH PROPOSED IMPROVEMENTS PURSUANT TO ADMINISTRATIVE LAW JUDGE'S RULING ISSUING EVALUATION REPORT OF THE DEMAND RESPONSE AUCTION, NOTICING JANUARY 16, 2019 WORKSHOP, AND DENYING MOTION TO REQUIRE AUDIT REPORTS IN THE EVALUATION REPORT

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January 11, 2019

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DEMAND RESPONSE AUCTION, NOTICING JANUARY 16, 2019 WORKSHOP, AND
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These comments are filed by Olivine, Inc. (Olivine)¹ pursuant to the Administrative Law Judge’s Ruling Issuing Evaluation Report of the Demand Response Auction, Noticing January 16, 2019 Workshop, and Denying Motion to Require Audit Reports in the Evaluation Report, issued January 4, 2019. In 2018 in these dockets, Olivine recommended improvements to the Demand Response Auction Mechanism (DRAM) through formal and informal comments; we incorporate our prior recommendations here by reference. The following high-level list of improvements includes some of our prior recommendations.

¹ Olivine strives for enduring progress toward global climate goals for all and by all, focusing on the critical intersection of energy and environmental justice. Since 2011, Olivine has worked as a scheduling coordinator (SC) and wholesale Demand Response (DR) provider to promote, enable and integrate DR resources of investor owned utilities, third-party DR providers, community choice aggregators and others technology providers. Olivine continues to be a leading proponent of DR and aggregations of distributed energy resources, helping client and partner companies to deploy those resources into electricity markets to affordably and efficiently offer grid services and monetize their value. Olivine is driven to ensure the benefits of California’s green energy policies reach all Californians, regardless of socioeconomic status or zip code, and to optimize solutions for all in our community with integrity.

- Recognize the critical role played by numerous parties including SCs and Wholesale DRPs in DRAM and the increasing demands and market risks on SCs due to CAISO market rule changes; address the negative impact on SCs of the current DRAM structure. We recommend a focus on how to cost-effectively support (1) market settlements, (2) baseline calculations, (3) streamlined collection and collation of anonymized data for review and evaluation, (4) timely presentation of RA compliance and demonstrated capacity, (5) standardized test dispatches, (6) new schedule requirements for invoices and (7) maintaining Seller and customer confidentiality.
- Set clear rules and required Commission processes for customers to disenroll from Third-Party programs; customer choice is a key DR principle.
- Develop additional performance metrics, including basing demonstrated capacity on either actual dispatches or test events or both; during non-summer months, random test events could be considered. Consideration should be given to requiring simultaneous test events for all DRPs with multiple DRAM resources, to limit the risk of double counting and inappropriate shuffling of customers among resources.
- Address the issue of supplier concentration, particularly in the residential sector, by enabling access to the residential set-aside in future DRAMs to only those DRPs who have not already benefitted from the set aside and include a review process for the assignment of contracts to limit market concentration.
- Incent DRAM resources to bid as available, recognizing that the resources are time and weather dependent, and address issues associated with application of RAIM.
- Establish clear timing requirements for provision of meter data (by all parties involved, from IOUs to DRPs to CAISO to the SC), invoicing, etc.
- Include clearer protections for residential customer data.

Olivine appreciates the opportunity to offer a high-level overview of some proposed improvements and looks forward to participating in a more in-depth discussion and working with the Commission, staff and stakeholders to correct the many identified issues with DRAM.

Respectfully submitted,

/s/

Elizabeth Reid
Chief Executive Officer
Olivine, Inc.

January 11, 2019